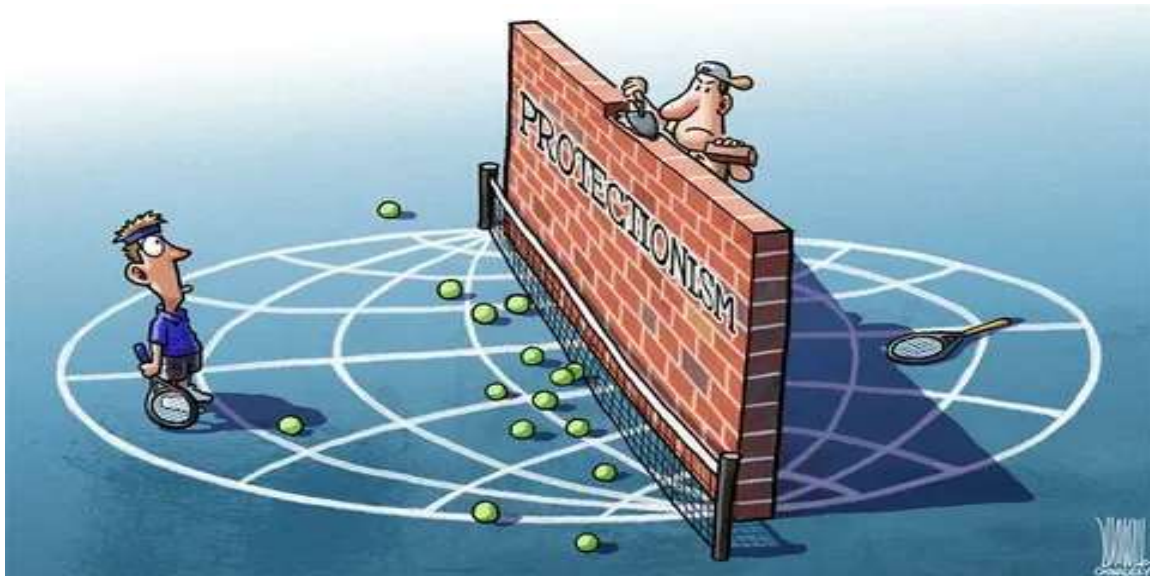


INVISIBLE WEAPON: THE IMPACT OF TRADE POLICIES IN OUR MODERN WORLD

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In today's dynamic world, the role of economics is significant. Using economic policies and tools, governments of countries are having diplomatic relations and trades that will consider both of the sides' interests. This has several positive impacts on the world community, as it would stimulate a sense of togetherness and will create a path for a more peaceful world. Although it seems to be a clear benefit for the whole world, it still has some adverse impact on the world as a whole. These trade-related policies are being implemented in a political sphere as well in order to have dominance and superiority over other countries. The reason for this is that these tools of trade-policies can serve as a strong weapon for a country against other countries who they fight with to be a global leader. But in most cases, these protectionist policies, the set of policies used to prevent domestic industries from foreign competition, and trade policies will fail to aim for both of the parties' benefits. Therefore, it is a topic that the global community has to concern with.

Looking at the past, it can be seen that diplomatic international relations started to

root from the 14th century in Italy. Friendly relations between countries did exist before that period, but modern diplomatic relations, where countries send their ambassadors to other countries started from this time across Europe. However, trades of goods started way back in Asia, approximately 3000 BC. Developments in these trade and political partnerships started mainly from the 18th century, an era of switching to the modern world. As trade and concept of economics started to grow, the countries started to create and set several policies that will encourage trade, but at the same time may restrict trade. Firstly, protectionism was implemented in Germany in the middle of the nineteenth century in order to restrict import of demerit goods like drugs (For World Lovers). Thereafter, these policies started to be used around the world. The policies of protectionism include tariffs, quotas, embargoes and much more (Investopedia. "Protectionism"). These policies are usually used to protect domestic industries, to correct imbalance in the current account and so on. However, these may be used to exclude some countries from international trade. For instance, in the shadow of the Russian-Ukrainian war, European countries plus the US are announcing endless lists of sanctioned companies and individuals. This is because they are considering Russia as a rule breaker and peace breaker in the world. These sanctions will prohibit any organization or individual that was sanctioned to have any trade or economic exchange action ("Press Corner"). The total losses of the European Union from the imposed sanctions and curtailment of economic relations with Russia amount to approximately \$1.5 trillion, Russian Deputy Foreign Minister Alexander Grushko stated on Friday, according to Sputnik ("EU's Losses From Russia Sanctions Amount to Nearly \$1.5 Trillion - Senior Russian Diplomat"). This means this use of sanctions will decrease the volume of bilateral trade and global output. The majority of the trade between EU-Russia was in terms of gas, and after imposition of sanctions the amount of gas net export gradually fell, leading to a deficit of gas in some parts of the EU. This is because the majority of EU's gas imports was from Russia ("How Europe Can Cut Natural Gas Imports From Russia Significantly Within a Year - News - IEA"). The other example is a trade war between US and China. This imposition of large tariffs and retaliation by other countries has continued since 2018. The significance of the US-China trade war can not be understated. With the two countries engaging in a series of tariffs and retaliatory measures against each other, the global frugality has been impacted. The conflict has led to a significant reduction in trade between the two nations, impacting businesses and consumers likewise. The trade war has also raised pressures between the US and China, leading to enterprises about the future of the relationship between these two global

powers(Beksiński). This, according to many experts, is not about being a leader in the economic sphere, but about being a political leader with the most power. This economic rivalry, however, led to some political disruptions between these two countries. It is known that Taiwan has some problems with China about being part of it or not. Arrival of American speaker, Nancy Pelosi, to Taiwan, raised an awareness for China. China prepared an army, in case Nancy Pelosi will have an impact on this perspective. So this incident was a close shave, with almost a war happening(Daunt). The other type of these trade policies is embargoes, which is a complete ban on certain types of products. Countries like Cuba, North Korea, Iran, Iraq experienced regular embargoes from EU and US because these countries are considered a threat to humanity and these countries tried to use constraints and other illegal actions in the production of goods that are embargoed(Sharer and Sharer).

Based on the facts given, it can be said that these trade policies, that were originally created to discourage inflow of demerit goods, to protect domestic industries and to have certain degree of economic growth is used for other purposes, like in the sphere of politics in order to prove one country's superiority over others. This, sometimes even caused a death of innocent people and breaking the peace. So, in general, the use of these trade policies should have limits and these policies should not cross the borders causing global disruptions.

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